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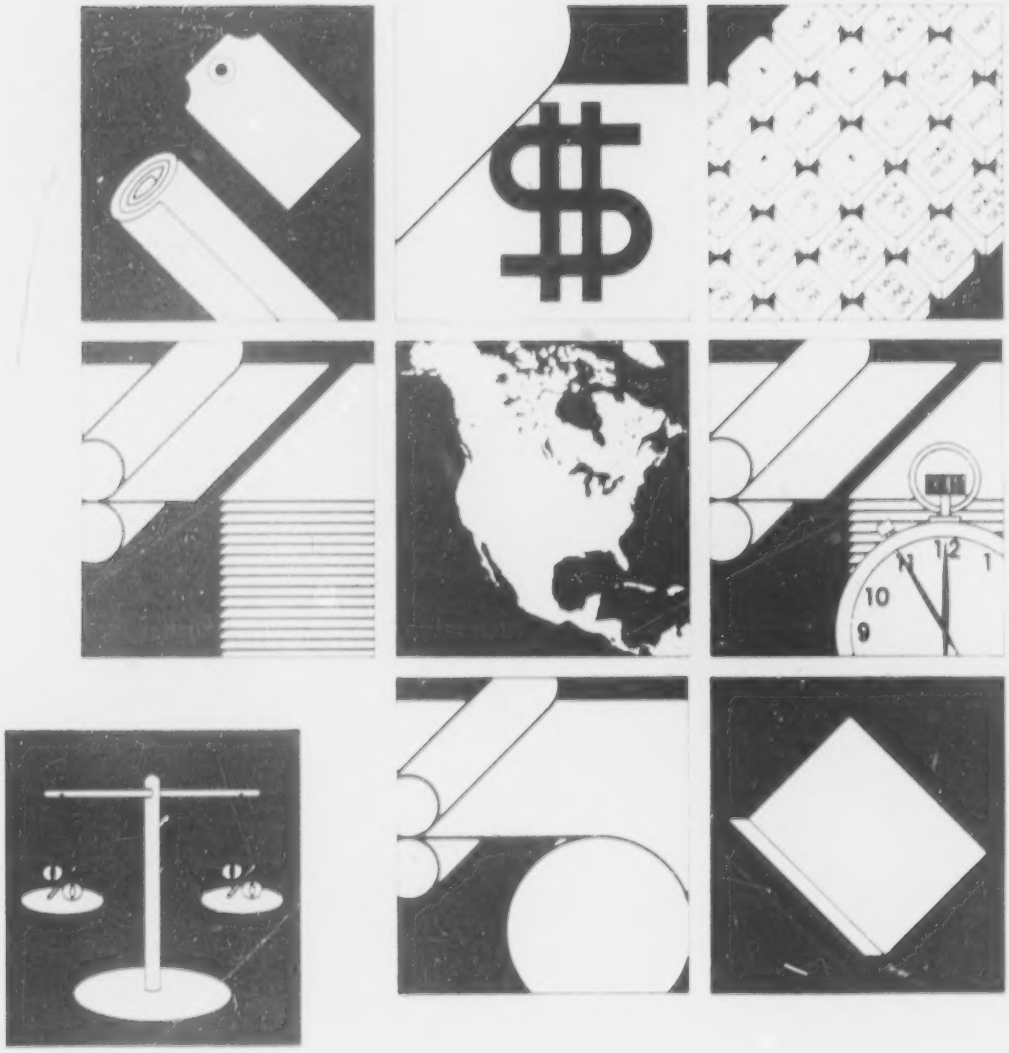
1987 Financial Ratio Study



Volume XII

Preparatory Specialists

1987
FINANCIAL
RATIO STUDY

Volume XII: Preparatory Specialists

An Annual Financial Survey Conducted By:
Printing Industries of America, Inc.
PIA Member Programs Services
1730 North Lynn Street
Arlington, VA 22209

Edited and Prepared by:

H. R. Margolis
Certified Public Accountants
New York and Philadelphia (Bala Cynwyd)

Computed by:

RGS Enterprises, Inc.
1 Carlisle Drive
Arnold, MD 21012

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PRINTING INDUSTRIES OF AMERICA, INC.

1730 North Lynn Street, Arlington, VA 22209 (703) 841-4805

1987 is the 64th year in which Printing Industries of America, Inc. has collected and published detailed financial ratio information for members of the graphic arts community. The data presented each year provide a detailed and comprehensive picture of the financial status of the major segments of the graphic arts industries in the U.S. and Canada. It allows individual firms to compare their annual performance with that of many other similar firms, including those which earn well above-average profits. Ratio results are published annually. They are summarized as follows:

- Management Guide to the PIA Ratios
- All Printers by Sales Volume
- All Printers by Product Specialty
- All Printers by Geographic Area
- Sheetfed Printers by Size and Geographic Area
- Web Offset Printers — Heatset
- Web Offset Printers — Non-Heatset
- Combination Offset — Sheetfed/Web
- Book Manufacturers' Ratios
- Large Printers' Ratios
- Typographers' Ratios
- Preparatory Specialists' Ratios
- Binders' Ratios
- Quick Printers

For a more complete composite picture of your company's performance relative to the industry as a whole, several books could be used in your analysis, such as one of the overview volumes, e.g., *All Printers by Sales Volume*, and one that addreses your particular business segment or production process, e.g., *Book Manufacturers or Web Offset — Heatset*, respectively. Alternatively, such analysis is facilitated by participating in the Ratio Study each year and ordering an individual company computer printout which compares a participant's ratios to those of companies which are similar in size and sales volume, produce the same products, and use the same manufacturing process.

H. R. MARGOLIS COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES
PHILADELPHIA
NEW YORK

Dear Member of the Graphic Arts Community:

H. R. Margolis Company is pleased to have once again participated with PIA and the graphic arts community in compiling these financial ratios. In all, 933 graphic arts firms of various types took part in the 1987 study. This particular volume is the result of financial information contributed by 40 Preparatory Specialists across the United States and Canada.

To help readers compare their own financial statements to those of other firms, the data is presented here by sales volume - for example, sales from $500,000 to $1,500,000, sales from $1,500,000 to $3,000,000, etc.; by market - for example, Printers and Lithographers, Advertising Agencies, etc.; and by type of work - for example, Black and White or Color Work. Readers can compare their firm's operations with other firms having the same sales volume, market, or type of work in four areas: Operations based on Sales and its Supporting Schedules, Balance Sheet Ratios, Significant Facts and Return on Investment.

The importance of sharing this type of information among the members of the graphic arts community cannot be overemphasized. Such a comparative analysis enhances the health of both individual firms and the graphic arts industry as a whole. Consequently, we urge that all firms put these ratios to use in making effective and profitable financial decisions.

H. R. MARGOLIS COMPANY

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The Graphic Preparatory Association is a special industry unit of PIA which represents and supports the common interests of preparatory trade plants in serving the Graphic Arts Industry. This study of the financial ratios of preparatory specialists is but one of the services GPA offers to its members.

Each year GPA holds two major meetings. In the spring, there is a Technical Awareness Seminar for Management. The two-day session is designed to update members of technological changes in the industry. In the winter, GPA holds its Annual Meeting in a resort location. This three-day session allows a maximum flow of information among the membership through its half-day sessions, social events and the relaxing atmosphere of the resort.

In addition to the meetings and the ratio study, the Association's monthly newsletter *UP FRONT* has become a technical and management resource to over 800 Preparatory Industry leaders. Allowing them to quickly update themselves is the technical and industry news which is of interest to the Preparatory Specialist.

GPA prepares compensation surveys, a quarterly industry activity survey, and publishes an annual buyers' guide. Active membership is open to any PIA member engaged in the operation of a preparatory trade plant serving the GPA Industry. Associate membership is open to any PIA member engaged in the manufacture or distribution of supplies or equipment for use in the preparatory industry.

Ronald S. Ballard
Executive Director
Graphic Preparatory Association
(815) 734-4178

CHAPTER 1 - BY SIZE OF FIRM

REPORT ON OPERATIONS - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS*	ALL FIRMS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT			
MATERIALS			
Paper	1.18	0.00	2.71
Other chargeable materials	14.89	15.38	13.90
Outside services	3.57	3.94	3.64
TOTAL MATERIALS	19.64	19.32	20.25
FACTORY PAYROLL	34.84	32.56	35.42
FACTORY EXPENSES	15.85	11.88	15.75
TOTAL FACTORY COST OF PRODUCT	70.33	63.76	71.42
GROSS PROFIT	29.67	36.24	28.58
ADMINISTRATIVE AND SELLING EXPENSES			
Administrative expenses	12.25	13.00	15.03
Selling expenses	10.81	10.50	9.48
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	23.06	23.50	24.51
INCOME BEFORE INTEREST EXPENSE	6.61	12.74	4.07
Interest expense	2.28	1.60	0.71
OPERATING INCOME	4.33	11.14	3.36
Other income	0.61	0.99	1.81
INCOME BEFORE INCOME TAXES	4.94	12.13	5.17

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS			
Ink	0.20%	0.22%	0.32%
Film	8.85	7.08	6.98
Plates	1.83	1.26	5.72
Other chargeable materials	4.01	6.82	0.89
TOTAL OTHER CHARGEABLE MATERIALS	14.89	15.38	13.91
OUTSIDE SERVICES			
Composition	0.35	0.41	1.25
Offset preparation	1.30	1.97	0.04
Printing	0.53	0.53	0.38
Binding	0.07	0.11	0.00
Other outside services	1.32	0.92	1.97
TOTAL OUTSIDE SERVICES	3.57	3.94	3.64

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
100.00%	100.00%	100.00%	100.00%
0.20	0.00	1.30	0.00
17.34	15.42	14.11	16.66
4.55	2.73	2.89	3.13
22.09	18.15	18.30	19.79
31.98	36.23	36.32	30.99
15.84	11.36	15.89	11.85
69.91	65.74	70.51	62.63
30.09	34.26	29.49	37.37
13.69	12.69	10.25	10.14
10.25	10.45	11.90	11.37
23.94	23.14	22.15	21.51
6.15	11.12	7.34	15.86
2.24	1.25	2.75	2.29
3.91	9.87	4.59	13.57
1.10	2.08	0.07	0.61
5.01	11.95	4.66	14.18

0.32%	0.66%	0.11%	0.00%
11.45	2.63	8.08	7.60
1.32	1.31	0.92	0.00
4.25	10.82	5.00	9.06
17.34	15.42	14.11	16.66
0.54	0.41	0.05	0.32
1.45	0.27	1.27	2.04
0.52	0.82	0.57	0.59
0.08	0.41	0.08	0.00
1.96	0.82	0.92	0.18
4.55	2.73	2.89	3.13

SUPPORTING SCHEDULES - SALES = 100%

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
FACTORY PAYROLL			
Salaries - executive	2.34%	1.26%	2.75%
Direct wages	25.00	24.73	24.29
General factory salaries and wages	1.93	0.96	0.83
Packing, shipping and delivery wages	0.50	0.51	0.80
Payroll taxes	2.44	2.30	2.56
Employee benefits	2.63	2.80	4.19
TOTAL FACTORY PAYROLL	34.84	32.56	35.42
FACTORY EXPENSES			
Fixed Expenses			
Depreciation - real estate	0.54	0.39	0.00
Depreciation - other	5.17	4.15	3.74
Taxes - real estate	0.15	0.07	0.20
Taxes - other	0.27	0.33	0.10
Insurance	0.82	0.60	1.29
Building rent	1.86	2.10	2.87
Utilities - heat, light, etc.	1.28	0.91	2.09
Equipment rental	0.86	0.49	0.32
Total Fixed Expenses	10.95	9.04	10.61
Other Expenses			
Factory supplies and expense	1.61	1.02	2.03
Packing, shipping and delivery expense	0.97	0.65	1.44
Repairs and maintenance	1.38	0.84	1.19
Other factory expenses	0.94	0.33	0.48
Total Other Expenses	4.90	2.84	5.14
TOTAL FACTORY EXPENSES	15.85	11.88	15.75
ADMINISTRATIVE EXPENSES			
Salaries - executive	4.20	5.38	6.75
Salaries - office	2.14	1.75	2.64
Payroll taxes	0.65	0.51	0.59
Employee benefits	0.88	1.01	1.32
Bad debts	0.36	0.37	0.32
Office supplies and expenses	0.49	0.50	0.62
Professional fees	0.61	0.49	0.46
Taxes - business	0.20	0.28	0.09
Telephone	0.65	0.84	0.70
Other administrative expenses	2.07	1.87	1.54
TOTAL ADMINISTRATIVE EXPENSES	12.25	13.00	15.03
SELLING EXPENSES			
Salaries - executive	1.30	1.77	2.70
Salaries and commissions - salesmen	5.55	5.22	3.24
Salaries - sales office clerical	0.32	0.13	0.00
Payroll taxes	0.47	0.48	0.54
Employee benefits	0.39	0.55	0.26
Advertising	0.58	0.52	0.43
Travel and entertainment	1.53	1.37	1.43
Other selling expenses	0.67	0.46	0.88
TOTAL SELLING EXPENSES	10.81	10.50	9.48

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
1.93%	1.60%	2.54%	1.88%
23.84	26.33	25.76	24.90
2.06	1.98	2.25	0.02
0.27	0.58	0.55	0.25
2.47	2.72	2.39	1.96
1.41	3.02	2.83	1.98
31.98	36.23	36.32	30.99
0.30	0.30	0.83	0.71
5.37	4.60	5.46	4.11
0.09	0.08	0.17	0.10
0.36	0.61	0.26	0.12
0.94	0.74	0.65	0.69
1.91	1.84	1.34	0.62
1.16	1.10	1.17	1.11
1.31	0.06	0.82	1.08
11.44	9.33	10.70	8.54
1.14	0.23	1.78	1.22
0.51	0.34	1.07	0.90
0.99	1.46	1.65	0.62
1.76	0.00	0.69	0.57
4.40	2.03	5.19	3.31
15.84	11.36	15.89	11.85
4.32	4.61	2.88	3.10
2.35	2.03	2.00	1.48
1.08	0.54	0.41	0.26
1.22	2.82	0.64	0.31
0.22	(0.16)	0.46	0.68
0.57	0.29	0.42	0.37
0.48	0.30	0.68	0.40
0.32	0.64	0.17	0.15
0.56	0.67	0.67	0.95
2.57	0.95	1.92	2.44
13.69	12.69	10.25	10.14
0.92	1.74	1.16	1.04
6.00	5.22	6.22	6.66
0.05	0.26	0.56	0.13
0.56	0.49	0.42	0.43
0.21	0.36	0.53	0.86
0.41	0.27	0.73	0.89
1.38	1.96	1.66	1.21
0.72	0.15	0.62	0.15
10.25	10.45	11.90	11.37

CHAPTER 1 - BY SIZE OF FIRM

BALANCE SHEET

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
ASSETS			
CURRENT ASSETS			
Cash	5.88%	6.27%	9.31%
Receivables	35.88	38.84	44.09
Inventories	5.36	4.30	5.65
Other current assets	6.23	4.68	9.21
TOTAL CURRENT ASSETS	53.35	54.09	68.26
FIXED ASSETS			
Real estate	7.93	14.14	3.89
Less: Accumulated depreciation	2.44	4.05	3.10
	5.49	10.09	0.79
Machinery and equipment	70.04	55.98	65.30
Less: Accumulated depreciation	38.86	29.33	49.44
	31.18	26.65	15.86
Other fixed assets	13.77	5.51	25.87
Less: Accumulated depreciation	8.45	3.01	19.93
	5.32	2.50	5.94
NET FIXED ASSETS	41.99	39.24	22.59
OTHER ASSETS	4.66	6.67	9.15
TOTAL ASSETS	100.00	100.00	100.00
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Notes payable	11.16	7.87	6.67
Accounts payable	9.28	7.99	8.20
Other current liabilities	7.32	10.71	7.50
TOTAL CURRENT LIABILITIES	27.76	26.57	22.37
LONG-TERM LIABILITIES	35.71	23.15	13.01
TOTAL LIABILITIES	63.47	49.72	35.38
SHAREHOLDERS' AND PROPRIETORS' EQUITY	36.53	50.28	64.62
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	1.92	2.04	3.05
QUICK RATIO	1.73	1.87	2.80
TOTAL LIABILITIES TO EQUITY	1.74	0.99	0.55
LONG-TERM LIABILITIES TO EQUITY	0.98	0.46	0.20
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.55	0.52	0.76

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
4.79%	1.82%	5.18%	4.18%
33.27	30.79	33.77	29.93
5.35	2.47	5.18	4.42
6.39	4.33	5.58	7.40
49.80	39.41	49.71	45.93
7.75	7.30	9.47	22.62
2.76	2.89	2.20	3.06
4.99	4.41	7.27	19.56
71.24	68.15	70.83	49.05
35.89	33.03	36.86	19.62
35.35	35.12	33.97	29.43
8.91	2.41	13.25	5.44
4.51	1.52	7.42	2.13
4.40	0.89	5.83	3.31
44.74	40.42	47.07	52.30
5.46	20.17	3.22	1.77
100.00	100.00	100.00	100.00
12.92	16.35	11.74	5.45
9.39	6.24	9.00	5.79
4.66	5.91	8.73	16.33
26.97	28.50	29.47	27.57
35.96	3.77	40.94	33.39
62.93	32.27	70.41	60.96
37.07	67.73	29.59	39.04
100.00	100.00	100.00	100.00
1.85	1.38	1.69	1.67
1.65	1.30	1.51	1.51
1.70	0.48	2.38	1.56
0.97	0.06	1.38	0.86
0.50	0 48	0.52	0.40

SIGNIFICANT FACTS

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Average assets per employee - All employees	$ 44,353	$ 52,233	$ 29,364
Average assets per factory employee (Excluding Executives)	64,635	77,222	46,107
Average net worth per employee - All employees	16,576	29,099	19,646
Average gross plant investment per factory employee (Excluding Executives)	57,282	57,386	37,301
Net worth percentage of fixed assets	179.71%	154.10%	378.53%
EMPLOYEES			
Percent factory - All employees	75.03%	71.77%	69.97%
Percent administrative - All employees	13.78	15.82	17.88
Percent sales - All employees	11.19	12.41	12.15
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES			
Sales per employee - All employees	$ 74,225	$ 75,415	$ 64,602
Sales per factory employee	100,073	105,258	92,988
Sales less material per factory employee	80,403	84,646	74,147
Sales per administrative employee	725,324	624,880	375,914
EXCLUDING EXECUTIVES			
Sales per employee - All employees	82,874	85,620	76,196
Sales per factory employee	106,197	108,339	98,896
Sales less material per factory employee	85,414	87,122	78,811
SALES PER SALESMAN	651,459	610,301	358,532
SALES TO CURRENT ASSETS	367%	330%	381%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES			
Total payroll percentage of sales	50.74%	49.36%	53.46%
Factory payroll percentage of gross plant investment	94.36	79.66	96.63
Payroll per employee - All employees	$ 37,600	$ 37,242	$ 34,371
Payroll per factory employee	34,529	34,422	32,961
Payroll per administrative employee	43,734	39,724	39,969
Payroll per sales employee	52,458	53,822	32,973
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES			
Payroll per employee - All employees	$ 29,455	$ 28,866	$ 24,344
Payroll per factory employee	28,615	28,550	25,329
Payroll per administrative employee	16,991	14,541	14,150
Payroll per sales employee	44,646	44,123	23,612
EXECUTIVE PAYROLL			
Payroll per executive - All executives	62,033	54,123	55,493
Payroll per factory executive	39,879	51,415	38,851
Payroll per administrative executive	83,369	78,937	89,555
Payroll per sales executive	45,843	30,913	33,334
RECEIVABLES			
Collection period	71.9	78.7	69.7
PROFIT			
Gross profit percentage of sales	29.67%	36.24%	28.58%
Average gross profit per factory employee	$ 31,948	$ 39,147	$ 28,865
Income before taxes percentage of sales	4.94%	12.13%	5.17%
Average income before taxes per employee	$ 3,729	$ 9,438	$ 3,540

** Sample insufficient for Profit Leaders.

SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
$ 46,991	$ 80,824	$ 48,210	$ 52,892
72,827	130,621	67,140	70,211
19,838	58,678	14,725	20,748
61,227	94,882	62,334	54,423
308.13%	176.26%	65.35%	75.26%
72.62%	66.47%	78.00%	79.14%
15.57	17.12	10.88	10.64
11.81	16.41	11.12	10.22
$ 71,952	$ 83,786	$ 79,155	$ 82,485
101,732	126,482	102,418	104,22[illegible]
79,281	103,512	83,625	82,863
510,023	490,249	954,625	891,346
80,438	94,198	86,375	88,813
107,330	131,845	109,144	107,841
83,761	107,908	89,225	85,710
510,666	335,017	765,795	905,392
383%	332%	359%	344%
48.70%	54.29%	51.14%	45.27%
135.58	69.29	72.98	66.67
$ 35,035	$ 45,610	$ 40,410	$ 37,336
31,856	45,393	36,862	32,153
40,234	47,977	47,316	38,090
48,080	40,641	62,346	86,088
$ 27,825	$ 34,563	$ 32,151	$ 29,921
27,211	38,073	30,663	27,013
17,237	14,970	18,415	16,180
43,645	33,811	52,912	71,187
51,444	59,193	70,836	61,221
48,166	125,855	37,828	36,065
57,892	68,310	97,115	70,618
23,618	26,586	62,451	41,072
69.8	79.5	72.6	70.4
30.09%	34.26%	29.49%	37.37%
$ 33,085	$ 45,188	$ 32,495	$ 40,295
5.01%	11.95%	4.66%	14.18%
$ 3,760	$ 9,892	$ 3,739	$ 11,931

RETURN ON INVESTMENT - PER $100 OF SALES

	ALL FIRMS REPORTING		SALES FROM $500,000-$1,500,000**
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS
INVESTMENT			
Current Assets:			
Cash	$ 3.49	$ 3.34	$ 5.70
Receivables	19.28	21.13	18.94
Inventories	3.02	2.87	2.64
Marketable securities	1.74	2.61	4.19
Other current assets	2.46	1.52	0.97
	29.99	31.47	32.44
Plant Investment:			
Land and building	5.56	11.05	2.01
Machinery and equipment	40.14	36.41	25.31
Other fixed assets	7.36	3.47	11.29
	53.06	50.93	38.61
Non-Current Assets	3.50	9.00	5.29
TOTAL INVESTMENT	86.55	91.40	76.34
INVESTMENT TURNOVER PER $100 OF SALES	115.54%	109.41%	130.99%
EARNINGS			
Cost of Product	$70.33	$63.76	$71.42
Selling Expenses	10.81	10.50	9.48
Administrative Expenses	12.25	13.00	15.03
	93.39	87.26	95.93
Income Before Interest, Other Income, and Taxes	6.61	12.74	4.07
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	7.64%	13.94%	5.33%

** Sample insufficient for Profit Leaders.

	SALES FROM $1,500,000-$3,000,000		SALES OVER $3,000,000	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
	$ 2.54	$ 1.86	$ 3.27	$ 2.83
	18.57	21.51	19.44	18.72
	3.15	3.76	3.04	2.58
	0.91	5.01	1.56	2.74
	3.53	0.89	2.42	2.71
	28.70	33.03	29.73	29.58
	5.72	11.10	6.71	16.24
	44.34	57.15	42.61	32.15
	5.28	3.67	7.55	3.33
	55.34	71.92	56.87	51.72
	6.40	29.49	1.71	1.19
	90.44	134.44	88.31	82.49
	110.57%	74.38%	113.24%	121.23%
	$69.91	$65.74	$70.51	$62.63
	10.25	10.45	11.90	11.37
	13.69	12.69	10.25	10.14
	93.85	88.88	92.66	84.14
	6.15	11.12	7.34	15.86
	6.80%	8.27%	8.31%	19.23%

REPORT ON OPERATIONS - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	2.17	0.00	1.40	0.00
Other chargeable materials	14.40	14.43	14.82	16.76
Outside services	3.70	7.78	2.64	2.86
TOTAL MATERIALS	20.27	22.21	18.86	19.62
FACTORY PAYROLL	34.49	30.82	34.87	38.55
FACTORY EXPENSES	15.69	11.46	15.50	10.51
TOTAL FACTORY COST OF PRODUCT	70.45	64.49	69.23	68.68
GROSS PROFIT	29.55	35.51	30.77	31.32
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	14.11	13.98	12.35	10.33
Selling expenses	8.18	6.87	14.00	11.99
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	22.29	20.85	26.35	22.32
INCOME BEFORE INTEREST EXPENSE	7.26	14.66	4.42	9.00
Interest expense	2.35	2.08	2.06	0.88
OPERATING INCOME	4.91	12.58	2.36	8.12
Other income (expense)	0.76	0.06	1.70	1.19
INCOME BEFORE INCOME TAXES	5.67	-2.64	4.06	9.31

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.26%	0.00%	0.24%	0.00%
Film	10.42	8.88	10.02	5.53
Plates	1.44	0.00	0.62	2.38
Other chargeable materials	2.28	5.55	3.94	8.85
TOTAL OTHER CHARGEABLE MATERIALS	14.40	14.43	14.82	16.76
OUTSIDE SERVICES				
Composition	0.09	0.48	0.99	0.59
Offset preparation	1.39	6.25	0.33	0.00
Printing	0.82	1.05	0.34	0.00
Binding	0.02	0.00	0.10	0.00
Other outside services	1.38	0.00	0.88	2.27
TOTAL OUTSIDE SERVICES	3.70	7.78	2.64	2.86

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
100.00%	100.00%	100.00%	100.00%
0.40	0.00	0.00	0.00
14.43	16.06	18.37	14.92
3.74	0.58	3.13	7.35
18.57	16.64	21.50	22.27
35.95	30.82	34.46	32.98
17.08	14.19	16.98	13.31
71.60	61.65	72.94	68.56
28.40	38.35	27.06	31.44
10.68	13.29	11.43	10.63
7.93	10.62	10.74	14.23
18.61	23.91	22.17	24.86
9.79	14.44	4.89	6.58
3.30	2.28	1.03	1.24
6.49	12.16	3.86	5.34
(1.93)	0.92	1.65	1.54
4.56	13.08	5.51	6.88

0.05%	0.00%	0.00%	0.44%
6.47	8.09	6.90	7.88
1.11	0.00	10.52	0.88
6.80	7.97	0.95	5.72
14.43	16.06	18.37	14.92
0.00	0.00	0.00	0.26
3.04	0.32	0.00	0.72
0.53	0.00	0.00	0.68
0.05	0.00	0.00	0.26
0.12	0.26	3.13	5.43
3.74	0.58	3.13	7.35

SUPPORTING SCHEDULES - SALES = 100%

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.03%	0.97%	2.95%	1.23%
Direct wages	25.62	24.93	24.52	27.60
General factory salaries and wages	1.44	0.00	1.34	1.36
Packing, shipping and delivery wages	0.12	0.00	0.81	0.83
Payroll taxes	2.70	2.06	2.39	3.13
Employee benefits	2.58	2.86	2.86	4.40
TOTAL FACTORY PAYROLL	34.49	30.82	34.87	38.55
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.45	0.52	0.96	0.00
Depreciation - other	5.14	4.65	5.22	3.46
Taxes - real estate	0.21	0.00	0.12	0.00
Taxes - other	0.26	0.22	0.33	0.36
Insurance	0.90	0.33	0.69	0.62
Building rent	2.29	3.40	1.94	3.03
Utilities - heat, light, etc.	1.39	0.36	1.01	0.82
Equipment rental	0.35	0.32	0.86	0.06
Total Fixed Expenses	10.99	9.80	11.13	8.35
Other Expenses				
Factory supplies and expense	1.26	0.44	1.40	1.07
Packing, shipping and delivery expense	0.92	0.41	0.68	0.25
Repairs and maintenance	1.07	0.74	1.50	0.60
Other factory expenses	1.45	0.07	0.79	0.24
Total Other Expenses	4.70	1.66	4.37	2.16
TOTAL FACTORY EXPENSES	15.69	11.46	15.50	10.51
ADMINISTRATIVE EXPENSES				
Salaries - executive	5.74	8.76	3.77	2.53
Salaries - office	1.78	0.39	2.50	3.05
Payroll taxes	1.01	0.69	0.53	0.51
Employee benefits	1.02	0.09	0.97	1.19
Bad debts	0.24	0.16	0.55	0.41
Office supplies and expenses	0.58	0.29	0.54	0.96
Professional fees	0.57	0.92	0.63	0.15
Taxes - business	0.16	0.30	0.11	0.03
Telephone	0.57	0.61	0.61	0.58
Other administrative expenses	2.44	1.77	2.14	0.92
TOTAL ADMINISTRATIVE EXPENSES	14.11	13.98	12.35	10.33
SELLING EXPENSES				
Salaries - executive	0.42	0.00	2.09	2.90
Salaries and commissions - salesmen	5.13	5.15	7.38	5.39
Salaries - sales office clerical	0.20	0.00	0.12	0.00
Payroll taxes	0.40	0.18	0.63	0.77
Employee benefits	0.38	0.68	0.34	0.28
Advertising	0.41	0.18	0.79	0.19
Travel and entertainment	1.03	0.68	1.78	1.22
Other selling expenses	0.21	0.00	0.87	1.24
TOTAL SELLING EXPENSES	8.18	6.87	14.00	11.99

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
1.44%	1.86%	3.71%	1.94%
26.34	25.29	23.43	22.60
3.49	0.03	0.89	2.84
0.47	0.37	0.35	0.66
2.25	2.01	2.56	2.08
1.96	1.26	3.52	2.86
35.95	30.82	34.46	32.98
0.26	0.55	0.13	0.20
6.05	4.26	2.62	5.03
0.15	0.15	0.04	0.16
0.14	0.18	0.15	0.50
0.92	0.93	1.15	0.55
1.29	0.93	2.72	0.74
1.27	1.30	2.34	1.07
1.68	1.32	0.47	0.70
11.76	9.62	9.62	8.95
2.03	1.82	2.83	1.47
1.16	1.35	1.88	0.99
1.37	0.54	1.47	1.88
0.76	0.86	1.18	0.02
5.32	4.57	7.36	4.36
17.08	14.19	16.98	13.31
3.56	4.17	2.90	3.90
2.04	1.83	2.68	1.50
0.51	0.36	0.59	0.34
0.43	0.38	0.54	1.67
0.39	0.99	0.10	0.16
0.36	0.39	0.47	0.30
0.45	0.45	1.23	0.52
0.31	0.00	0.18	0.43
0.78	1.33	0.76	0.67
1.85	3.39	1.98	1.14
10.68	13.29	11.43	10.63
0.80	1.57	1.58	2.01
3.40	4.84	4.64	6.01
0.55	0.20	0.00	1.32
0.30	0.46	0.43	0.48
0.25	0.60	0.28	1.12
0.60	1.18	0.19	0.51
1.17	1.55	2.66	2.16
0.86	0.22	0.96	0.62
7.93	10.62	10.74	14.23

BALANCE SHEET

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	3.93%	6.56%	7.80%	8.42%
Receivables	39.66	52.36	37.85	53.10
Inventories	4.50	8.31	4.67	2.01
Other current assets	4.33	0.59	7.33	1.22
TOTAL CURRENT ASSETS	52.42	67.82	57.65	64.75
FIXED ASSETS				
Real estate	12.67	12.27	3.44	8.26
Less: Accumulated depreciation	4.29	1.94	1.77	6.68
	8.38	10.33	1.67	1.58
Machinery and equipment	79.01	53.95	69.94	64.03
Less: Accumulated depreciation	46.38	34.64	38.05	34.47
	32.63	19.31	31.89	29.56
Other fixed assets	12.62	4.05	12.49	5.70
Less: Accumulated depreciation	9.80	3.20	7.75	2.99
	2.82	0.85	4.74	2.71
NET FIXED ASSETS	43.83	30.49	38.30	33.85
OTHER ASSETS	3.75	1.69	4.05	1.40
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	8.95	3.01	12.26	15.53
Accounts payable	8.26	16.39	8.56	6.13
Other current liabilities	7.55	12.59	8.33	6.69
TOTAL CURRENT LIABILITIES	24.76	31.99	29.15	28.35
LONG-TERM LIABILITIES	42.29	41.91	28.66	0.28
TOTAL LIABILITIES	67.05	73.90	57.81	28.63
SHAREHOLDERS' AND PROPRIETORS' EQUITY	32.95	26.10	42.19	71.37
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	2.12	2.12	1.98	2.28
QUICK RATIO	1.94	1.86	1.82	2.21
TOTAL LIABILITIES TO EQUITY	2.03	2.83	1.37	0.40
LONG-TERM LIABILITIES TO EQUITY	1.28	1.61	0.68	0.00
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.59	0.64	0.54	0.54

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
5.94%	6.00%	1.20%	8.56%
28.82	23.53	41.87	28.10
5.45	2.25	10.86	5.97
5.43	10.88	12.44	4.21
45.64	42.66	66.37	46.84
12.78	21.67	0.00	4.86
2.19	2.66	0.00	1.93
10.59	19.01	0.00	2.93
70.38	53.55	39.42	67.26
33.82	20.75	32.24	36.83
36.56	32.80	7.18	30.43
9.94	7.11	38.91	10.27
5.85	2.81	18.83	4.19
4.09	4.30	20.08	6.08
51.24	56.11	27.26	39.44
3.12	1.23	6.37	13.72
100.00	100.00	100.00	100.00
11.73	8.18	15.63	7.97
11.02	2.65	10.41	10.05
5.09	14.03	6.33	9.38
27.84	24.86	32.37	27.40
45.40	35.35	6.14	45.04
73.24	60.21	38.51	72.44
26.76	39.79	61.49	27.56
100.00	100.00	100.00	100.00
1.64	1.72	2.05	1.71
1.44	1.63	1.71	1.49
2.74	1.51	0.63	2.63
1.70	0.89	0.10	1.63
0.48	0.39	0.82	0.55

SIGNIFICANT FACTS

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 38,478	$ 36,448	$ 44,390	$ 32,557
Average assets per factory employee (Excluding Executives)	58,202	47,950	66,319	49,192
Average net worth per employee - All employees	12,641	11,348	17,343	22,216
Average gross plant investment per factory employee (Excluding Executives)	54,920	33,077	58,300	39,429
Net worth percentage of fixed assets	81.06%	87.00%	329.29%	266.85%
EMPLOYEES				
Percent factory - All employees	74.14%	75.49%	72.67%	68.82%
Percent administrative - All employees	17.21	20.59	12.69	13.94
Percent sales - All employees	8.65	3.92	14.64	17.24
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 72,081	$ 76,499	$ 74,358	$ 76,085
Sales per factory employee	99,183	98,343	102,904	109,983
Sales less material per factory employee	78,731	75,510	83,835	88,588
Sales per administrative employee EXCLUDING EXECUTIVES	547,008	738,976	616,203	550,412
Sales per employee - All employees	82,835	91,887	83,131	85,260
Sales per factory employee	105,951	101,366	110,499	115,047
Sales less material per factory employee	84,265	77,745	90,151	92,741
SALES PER SALESMAN	727,758	1,275,000	498,919	262,798
SALES TO CURRENT ASSETS	424%	333%	330%	379%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	50.58%	46.76%	53.21%	55.19%
Factory payroll percentage of gross plant investment	75.61	95.53	130.48	116.76
Payroll per employee - All employees	$ 36,272	$ 35,377	$ 39,507	$ 42,251
Payroll per factory employee	33,334	30,441	36,109	43,134
Payroll per administrative employee	37,835	26,192	42,370	40,150
Payroll per sales employee	50,219	80,162	57,095	39,102
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 28,419	$ 28,920	$ 30,717	$ 33,154
Payroll per factory employee	27,485	25,041	29,519	35,174
Payroll per administrative employee	12,768	7,000	19,728	21,105
Payroll per sales employee	43,723	68,734	49,493	32,588
EXECUTIVE PAYROLL				
Payroll per executive - All executives	51,396	37,733	61,079	45,864
Payroll per factory executive	35,032	25,750	37,929	19,500
Payroll per administrative executive	73,033	37,617	88,058	109,500
Payroll per sales executive	20,676	0	53,500	20,000
RECEIVABLES				
Collection period	71.4	86.8	76.7	82.7
PROFIT				
Gross profit percentage of sales	29.55%	35.51%	30.77%	31.32%
Average gross profit per factory employee	$ 32,451	$ 35,967	$ 33,702	$ 35,016
Income before taxes percentage of sales	5.67%	12.64%	4.06%	9.31%
Average income before taxes per employee	$ 4,525	$ 10,713	$ 3,029	$ 7,048

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 47,962	$ 53,089	$ 33,331	$ 65,911
62,381	72,666	49,294	102,472
14,103	21,269	20,284	31,135
58,155	59,858	38,054	77,794
53.69%	70.90%	321.55%	79.63%
80.75%	76.55%	74.44%	72.82%
11.46	12.04	16.48	10.48
7.79	11.41	9.08	16.70
$ 78,617	$ 71,474	$ 64,691	$ 77,823
97,861	94,364	87,479	109,352
79,453	78,481	68,585	85,183
1,155,209	670,777	431,014	893,038
84,156	77,700	75,643	85,206
100,284	96,762	96,153	114,812
81,533	80,518	75,357	89,225
848,596	720,588	511,375	625,847
387%	326%	312%	323%
47.79%	45.23%	48.10%	51.34%
73.47	53.25	87.43	64.13
$ 37,621	$ 32,310	$ 31,072	$ 40,036
34,834	28,811	29,833	35,327
54,665	43,946	26,765	55,905
47,466	48,971	52,723	53,747
$ 30,705	$ 25,325	$ 23,788	$ 29,277
30,301	24,843	23,130	28,969
18,198	17,270	16,205	16,862
40,017	38,046	43,004	40,937
73,071	66,140	39,536	94,868
21,042	28,347	36,327	126,810
87,780	80,352	36,733	132,786
41,939	61,608	39,733	120,206
63.8	66.4	78.6	69.6
28.40%	38.35%	27.06%	31.44%
$ 28,720	$ 37,428	$ 26,296	$ 37,256
4.56%	13.08%	5.51%	6.88%
$ 3,307	$ 9,342	$ 3,642	$ 5,436

RETURN ON INVESTMENT - PER $100 OF SALES

	PRINTERS AND LITHOGRAPHERS		ADVERTISING AGENCIES	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 1.83	$ 2.78	$ 4.84	$ 3.32
Receivables	19.13	23.77	20.64	22.23
Inventories	2.35	3.85	2.61	0.78
Marketable securities	0.00	0.00	2.07	0.00
Other current assets	2.72	0.27	2.82	0.52
	26.03	30.67	32.98	26.85
Plant Investment:				
Land and building	7.38	6.16	2.38	3.20
Machinery and equipment	38.07	24.34	42.10	27.89
Other fixed assets	4.93	1.79	7.66	2.21
	50.38	32.29	52.14	33.30
Non-Current Assets	1.67	0.83	2.77	0.62
TOTAL INVESTMENT	78.08	63.79	87.89	60.77
INVESTMENT TURNOVER PER $100 OF SALES	128.07%	156.76%	113.78%	164.55%
EARNINGS				
Cost of Product	$70.45	$64.49	$69.23	$68.68
Selling Expenses	8.18	6.87	14.00	11.99
Administrative Expenses	14.11	13.98	12.35	10.33
	92.74	85.34	95.58	91.00
Income Before Interest, Other Income (Expense), and Taxes	7.26	14.66	4.42	9.00
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	9.30%	22.98%	5.03%	14.81%

** Sample insufficient for Profit Leaders.

PUBLISHERS		CARTON MANUFACTURERS**	OTHER**
ALL FIRMS	PROFIT LEADERS	ALL FIRMS	ALL FIRMS
$ 3.81	$ 4.11	$ 0.54	$ 5.22
16.98	17.34	21.47	18.18
3.12	1.67	5.48	4.62
1.34	4.12	5.53	3.99
2.59	3.96	1.17	0.68
27.84	31.20	34.19	32.69
9.53	18.20	0.00	7.40
43.71	38.15	18.47	49.69
5.38	4.47	21.33	6.83
58.62	60.82	39.80	63.92
1.45	1.07	3.43	19.81
87.91	93.09	77.42	116.42
113.75%	107.42%	129.17%	85.90%
$71.60	$61.65	$72.94	$68.56
7.93	10.62	10.74	14.23
10.68	13.29	11.43	10.63
90.21	85.56	95.11	93.42
9.79	14.44	4.89	6.58
11.14%	15.51%	6.32%	5.65%

REPORT ON OPERATIONS - SALES = 100%

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
SALES OR VALUE OF PRODUCT PRODUCED	100.00%	100.00%	100.00%	100.00%
FACTORY COST OF PRODUCT				
MATERIALS				
Paper	3.22	0.00	0.89	0.00
Other chargeable materials	12.48	13.43	15.23	16.17
Outside services	4.17	6.36	3.48	2.97
TOTAL MATERIALS	19.87	19.79	19.60	19.14
FACTORY PAYROLL	33.76	31.25	34.99	33.09
FACTORY EXPENSES	16.80	12.43	15.72	11.65
TOTAL FACTORY COST OF PRODUCT	70.43	63.47	70.31	63.88
GROSS PROFIT	29.57	36.53	29.69	36.12
ADMINISTRATIVE AND SELLING EXPENSES				
Administrative expenses	17.58	17.61	11.50	11.15
Selling expenses	7.87	9.24	11.23	11.01
TOTAL ADMINISTRATIVE AND SELLING EXPENSES	25.45	26.85	22.73	22.16
INCOME BEFORE INTEREST EXPENSE	4.12	9.68	6.96	13.96
Interest expense	0.68	0.92	2.51	1.87
OPERATING INCOME	3.44	8.76	4.45	12.09
Other income	1.65	0.49	0.47	1.20
INCOME BEFORE INCOME TAXES	5.09	9.25	4.92	13.29

SUPPORTING SCHEDULES - SALES = 100%

OTHER CHARGEABLE MATERIALS				
Ink	0.39%	0.00%	0.16%	0.34%
Film	7.36	10.70	9.07	5.12
Plates	4.50	2.38	1.37	0.67
Other chargeable materials	0.23	0.35	4.63	10.04
TOTAL OTHER CHARGEABLE MATERIALS	12.48	13.43	15.23	16.17
OUTSIDE SERVICES				
Composition	1.51	0.56	0.20	0.35
Offset preparation	1.60	3.48	1.26	1.37
Printing	0.08	0.17	0.58	0.67
Binding	0.00	0.00	0.08	0.16
Other outside services	0.98	2.15	1.36	0.42
TOTAL OUTSIDE SERVICES	4.17	6.36	3.48	2.97

SUPPORTING SCHEDULES - SALES = 100%

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
FACTORY PAYROLL				
Salaries - executive	2.30%	0.00%	2.34%	1.77%
Direct wages	23.50	22.85	25.22	25.48
General factory salaries and wages	0.99	1.36	2.06	0.80
Packing, shipping and delivery wages	0.73	0.83	0.47	0.38
Payroll taxes	2.54	2.39	2.42	2.26
Employee benefits	3.70	3.82	2.48	2.40
TOTAL FACTORY PAYROLL	33.76	31.25	34.99	33.09
FACTORY EXPENSES				
Fixed Expenses				
Depreciation - real estate	0.00	0.00	0.62	0.55
Depreciation - other	4.25	3.77	5.32	4.30
Taxes - real estate	0.24	0.00	0.13	0.09
Taxes - other	0.17	0.37	0.28	0.31
Insurance	1.12	0.33	0.78	0.71
Building rent	4.11	4.59	1.54	1.11
Utilities - heat, light, etc.	1.57	0.43	1.23	1.11
Equipment rental	0.40	0.02	0.93	0.67
Total Fixed Expenses	11.86	9.51	10.83	8.85
Other Expenses				
Factory supplies and expense	1.67	1.50	1.61	0.82
Packing, shipping and delivery expense	1.71	0.57	0.86	0.68
Repairs and maintenance	1.06	0.54	1.42	0.96
Other factory expenses	0.50	0.31	1.00	0.34
Total Other Expenses	4.94	2.92	4.89	2.80
TOTAL FACTORY EXPENSES	16.80	12.43	15.72	11.65
ADMINISTRATIVE EXPENSES				
Salaries - executive	10.07	9.58	3.37	3.70
Salaries - office	1.84	1.86	2.18	1.70
Payroll taxes	0.64	0.87	0.65	0.37
Employee benefits	1.24	0.26	0.83	1.31
Bad debts	0.25	0.44	0.38	0.34
Office supplies and expenses	0.71	0.90	0.46	0.34
Professional fees	0.69	0.82	0.60	0.36
Taxes - business	0.06	0.10	0.22	0.35
Telephone	0.72	0.85	0.64	0.84
Other administrative expenses	1.36	1.93	2.17	1.84
TOTAL ADMINISTRATIVE EXPENSES	17.58	17.61	11.50	11.15
SELLING EXPENSES				
Salaries - executive	2.68	2.90	1.10	1.32
Salaries and commissions - salesmen	2.09	3.03	6.05	6.10
Salaries - sales office clerical	0.00	0.00	0.37	0.18
Payroll taxes	0.47	0.55	0.47	0.45
Employee benefits	0.19	0.28	0.41	0.66
Advertising	0.47	0.20	0.59	0.64
Travel and entertainment	1.34	1.04	1.56	1.51
Other selling expenses	0.63	1.24	0.68	0.15
TOTAL SELLING EXPENSES	7.87	9.24	11.23	11.01

BALANCE SHEET

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
ASSETS				
CURRENT ASSETS				
Cash	11.56%	13.86%	5.07%	3.24%
Receivables	47.27	60.27	34.26	30.27
Inventories	5.31	5.94	5.37	3.64
Other current assets	9.83	0.93	5.71	6.17
TOTAL CURRENT ASSETS	73.97	81.00	50.41	43.32
FIXED ASSETS				
Real estate	4.67	8.26	8.39	16.49
Less: Accumulated depreciation	3.72	6.68	2.25	2.99
	0.95	1.58	6.14	13.50
Machinery and equipment	63.74	54.19	70.94	56.68
Less: Accumulated depreciation	48.32	40.19	37.51	24.98
	15.42	14.00	33.43	31.70
Other fixed assets	23.23	8.70	12.42	4.23
Less: Accumulated depreciation	18.64	5.81	7.00	1.88
	4.59	2.89	5.42	2.35
NET FIXED ASSETS	20.96	18.47	44.99	47.55
OTHER ASSETS	5.07	0.53	4.60	9.13
TOTAL ASSETS	100.00	100.00	100.00	100.00
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Notes payable	3.15	3.01	12.30	9.81
Accounts payable	7.92	13.04	9.48	5.97
Other current liabilities	6.68	7.10	7.41	12.16
TOTAL CURRENT LIABILITIES	17.75	23.15	29.19	27.94
LONG-TERM LIABILITIES	19.06	27.17	38.09	21.55
TOTAL LIABILITIES	36.81	50.32	67.28	49.49
SHAREHOLDERS' AND PROPRIETORS' EQUITY	63.19	49.68	32.72	50.51
TOTAL LIABILITIES AND EQUITY	100.00	100.00	100.00	100.00

BALANCE SHEET RATIOS

CURRENT RATIO	4.17	3.50	1.73	1.55
QUICK RATIO	3.87	3.24	1.54	1.42
TOTAL LIABILITIES TO EQUITY	0.58	1.01	2.06	0.98
LONG-TERM LIABILITIES TO EQUITY	0.30	0.55	1.16	0.43
ACCUMULATED DEPRECIATION - MACHINERY AND EQUIPMENT TO TOTAL MACHINERY AND EQUIPMENT	0.76	0.74	0.53	0.44

SIGNIFICANT FACTS

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Average assets per employee - All employees	$ 27,127	$ 22,656	$ 46,813	$ 64,065
Average assets per factory employee (Excluding Executives)	42,892	34,339	67,741	94,375
Average net worth per employee - All employees	18,879	12,046	16,247	35,920
Average gross plant investment per factory employee (Excluding Executives)	32,007	24,334	60,892	70,607
Net worth percentage of fixed assets	399.62%	250.19%	148.29%	115.66%
EMPLOYEES				
Percent factory - All employees	69.73%	66.05%	75.79%	74.07%
Percent administrative - All employees	19.84	22.27	12.91	13.23
Percent sales - All employees	10.43	11.68	11.30	12.70
SALES - VALUE OF PRODUCT PRODUCED INCLUDING EXECUTIVES				
Sales per employee - All employees	$ 56,528	$ 56,440	$ 76,753	$ 83,006
Sales per factory employee	81,464	85,580	102,731	113,129
Sales less material per factory employee	65,161	68,455	82,580	91,122
Sales per administrative employee	330,975	259,812	781,660	730,907
EXCLUDING EXECUTIVES				
Sales per employee - All employees	72,032	72,251	84,423	90,967
Sales per factory employee	86,457	85,580	109,018	117,442
Sales less material per factory employee	69,102	68,455	87,745	94,589
SALES PER SALESMAN	275,596	275,596	663,205	677,242
SALES TO CURRENT ASSETS	346%	307%	370%	339%
PAYROLL - INCLUDING TAXES AND BENEFITS INCLUDING EXECUTIVES				
Total payroll percentage of sales	53.00%	50.57%	50.42%	48.88%
Factory payroll percentage of gross plant investment	93.80	109.51	94.44	67.72
Payroll per employee - All employees	$ 29,899	$ 28,733	$ 38,700	$ 40,646
Payroll per factory employee	27,259	26,856	35,568	37,449
Payroll per administrative employee	40,719	33,919	44,165	42,045
Payroll per sales employee	18,127	18,602	57,363	67,910
PAYROLL - EXCLUDING TAXES AND BENEFITS EXCLUDING EXECUTIVES				
Payroll per employee - All employees	$ 20,947	$ 21,588	$ 30,670	$ 31,778
Payroll per factory employee	21,143	21,331	29,683	31,437
Payroll per administrative employee	10,363	11,655	17,937	15,696
Payroll per sales employee	11,654	13,838	49,359	56,237
EXECUTIVE PAYROLL				
Payroll per executive - All executives	42,076	38,405	64,884	60,410
Payroll per factory executive	14,463	0	43,509	71,981
Payroll per administrative executive	80,634	102,042	83,760	69,695
Payroll per sales executive	21,289	20,000	49,350	35,278
RECEIVABLES				
Collection period	76.3	90.4	71.3	74.0
PROFIT				
Gross profit percentage of sales	29.57%	36.53%	29.69%	36.12%
Average gross profit per factory employee	$ 26,029	$ 31,385	$ 32,794	$ 42,252
Income before taxes percentage of sales	5.09%	9.25%	4.92%	13.29%
Average income before taxes per employee	$ 2,894	$ 5,245	$ 3,849	$ 11,115

CHAPTER 3 - BY TYPE OF WORK

RETURN ON INVESTMENT - PER $100 OF SALES

	BLACK AND WHITE		COLOR WORK	
	ALL FIRMS	PROFIT LEADERS	ALL FIRMS	PROFIT LEADERS
INVESTMENT				
Current Assets:				
Cash	$ 7.09	$ 5.57	$ 2.97	$ 2.44
Receivables	20.72	24.38	19.08	19.83
Inventories	2.54	2.43	3.09	3.05
Marketable securities	5.03	0.00	1.27	3.65
Other current assets	0.68	0.37	2.71	1.98
	36.06	32.75	29.12	30.95
Plant Investment:				
Land and building	2.41	3.20	6.02	14.19
Machinery and equipment	24.80	22.11	42.34	42.15
Other fixed assets	10.42	3.47	6.91	3.47
	37.63	28.78	55.27	59.81
Non-Current Assets	4.09	0.21	3.41	12.51
TOTAL INVESTMENT	77.78	61.74	87.80	103.27
INVESTMENT TURNOVER PER $100 OF SALES	128.57%	161.97%	113.90%	96.83%
EARNINGS				
Cost of Product	$70.43	$63.47	$70.31	$63.88
Selling Expenses	7.87	9.24	11.23	11.01
Administrative Expenses	17.58	17.61	11.50	11.15
	95.88	90.32	93.04	86.04
Income Before Interest, Other Income, and Taxes	4.12	9.68	6.96	13.96
RETURN ON INVESTMENT - INVESTMENT TURNOVER X INCOME	5.30%	15.68%	7.93%	13.52%

ABSOLUTE DATA

	NUMBER OF PARTICIPATING FIRMS	AVERAGE FIRM REPORTING** TOTAL ASSETS	SALES OR VALUE OF PRODUCTION	TOTAL INCOME
TOTAL - ALL FIRMS	40	$ 3,042,000	$ 5,015,000	$ 288,000
TOTAL - PROFIT LEADERS*	7	4,326,000	6,566,000	893,000
BY SIZE OF FIRM				
ALL FIRMS				
$500,000-$1,500,000	6	349,000	793,000	46,000
$1,500,000-$3,000,000	11	1,469,000	2,154,000	116,000
Over $3,000,000	22	4,695,000	7,812,000	452,000
PROFIT LEADERS				
$1,500,000-$3,000,000	2	2,572,000	2,242,000	287,000
Over $3,000,000	3	8,250,000	13,500,000	1,861,000
BY MARKET				
ALL FIRMS				
Printers and Lithographers	11	2,709,000	4,449,000	279,000
Advertising Agencies	14	1,613,000	2,689,000	92,000
Publishers	9	5,732,000	9,500,000	661,000
Carton Manufacturers	3	1,474,000	2,603,000	86,000
Other	3	4,425,000	6,902,000	316,000
PROFIT LEADERS				
Printers and Lithographers	2	1,400,000	2,810,000	449,000
Advertising Agencies	2	495,000	1,134,000	104,000
Publishers	2	11,036,000	17,585,000	2,356,000
BY TYPE OF WORK				
ALL FIRMS				
Black and White	5	249,000	518,000	25,000
Color Work	35	3,441,000	5,658,000	326,000
PROFIT LEADERS				
Black and White	2	194,000	490,000	46,000
Color Work	5	5,979,000	8,997,000	1,232,000

* "Profit Leaders" are those firms which earned 8% or greater pretax profits on sales.
** Unlike the ratios shown in this book, these figures are arithmetic averages. See explanatory note on page 30.

HOW THE NUMBERS ARE COMPUTED

The PIA Ratios are computed by the method of relative or common size. With this method each company's dollars are converted into a percentage to the total. Then these percentages are added in total and within a given sales class. This is a very simple way of avoiding what is known as self-weighting when various magnitudes are involved. With this method each company is given equal weight regardless of their size.

The following example illustrates how this calculation process eliminates the problem of the ratios' giving inordinate weight to the results of very large firms.

			% of Sales	
Firm	Sales	Factory Payroll	Firm's Ratio Factory Payroll	PIA Ratio Factory Payroll
A	$ 200,000	$ 60,000	30.0%	
B	500,000	100,000	20.0	
C	8,000,000	975,000	12.2	
			62.2% divided by 3 = 20.7%	